

UNCLASSIFIED

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)								DATE February 2002		
BUDGET ACTIVITY 05 - Engineering and Manufacturing Development				PE NUMBER AND TITLE 0604805F Commercial Operations and Support Savings Initiative				PROJECT 4771		
COST (\$ in Thousands)		FY 2001 Actual	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	Cost to Complete	Total Cost
4771	Commercial O&S Savings Initiative	18,418	0	0	0	0	0	0	Continuing	TBD
Quantity of RDT&E Articles		0	0	0	0	0	0	0	0	0
<p>(U) <u>A. Mission Description</u></p> <p>This program reduces total ownership costs, particularly Operations and Support (O&S) costs, through insertion of commercial products and processes into fielded military systems. These savings are expected to result by reducing the costs of parts and maintenance, reducing the need for specialized equipment, increasing reliability, and increasing efficiency of subsystems. Commercial Operations and Support Savings Initiative (COSSI) projects will be performed in two stages. In Stage I, each competitively selected, flexible cost-share proposal will provide the Non-Recurring Engineering (NRE) required to create a kit that can be used in a fielded military system and perform the testing needed to verify that inserted kits will produce O&S cost savings while at least maintaining the current system level of performance of the fielded system. Based on the results of a Stage I project, the Air Force will decide whether to proceed to Stage II. The goal in Stage II is to purchase a reasonable production quantity of kits based on a fair and reasonable price (i.e., the value of the kits vice the cost of the kits to the Air Force under a Federal Acquisition Regulation (FAR) vehicle). COSSI is a valuable tool for reducing total ownership cost of fielded weapon systems and offers an opportunity for the Air Force to leverage the commercial sector's much faster product development and technology refresh cycle times. The program is designed to be attractive to non-traditional defense suppliers as well through the use of flexible Other Transaction (OT) contracts.</p> <p>(U) <u>FY 2001 (\$ in Thousands)</u></p> <p>(U) \$10,418 Leveraged commercial electronics and software to swap existing military processors with form, fit, and function replacements to increase reliability, obsolescence avoidance, and software commonality.</p> <p>(U) \$5,000 Reduced inventory requirements, maintenance turn times, and mobility deployment footprints through insertion of reliable commercial items.</p> <p>(U) \$3,000 Reduced test, technical manual, and training costs through automation and use of commercial hardware and software.</p> <p>(U) \$18,418 Total</p> <p>(U) <u>FY 2002 (\$ in Thousands)</u></p> <p>(U) \$0 No Activity</p> <p>(U) \$0 Total</p>										
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(U) **A. Mission Description Continued**

(U) FY 2003 (\$ in Thousands)

(U) \$0	No Activity
(U) \$0	Total

(U) **B. Budget Activity Justification**

This program is in Budget Activity 4, Demonstration and Validation, since it includes efforts necessary to evaluate integrated technologies in as realistic an operating environment as possible to assess performance or cost reduction potential.

(U) **C. Program Change Summary (\$ in Thousands)**

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Total Cost</u>
(U) Previous President's Budget	19,669	0	0	
(U) Appropriated Value	19,851	0		
(U) Adjustments to Appropriated Value				
a. Congressional/General Reductions				
b. Small Business Innovative Research	-1,251			
c. Omnibus or Other Above Threshold Reprogram				
d. Below Threshold Reprogram				
e. Rescissions	-182			
(U) Adjustments to Budget Years Since FY 2002 PBR				
(U) Current Budget Submit/FY 2003 PBR	18,418	0	0	TBD

(U) Significant Program Changes:
Program terminated in FY 2002.

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)							DATE February 2002			
BUDGET ACTIVITY 05 - Engineering and Manufacturing Development					PE NUMBER AND TITLE 0604805F Commercial Operations and Support				PROJECT 4771	
Savings Initiative										

(U) **A. Project Cost Breakdown (\$ in Thousands)**

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
(U) Leverage commercial electronics and software to swap existing military processors with form, fit, and function replacements	10,418	0	0
(U) Reduce inventory requirements, maintenance turn times, and mobility deployment footprints through insertion of reliable commercial items	5,000	0	0
(U) Reduce test, technical manual, and training costs through automation and use of commercial hardware and software	3,000	0	
(U) Total	18,418	0	0

(U) **B. Budget Acquisition History and Planning Information (\$ in Thousands)**

(U) **Performing Organizations:**

<u>Contractor or Government Performing Activity</u>	<u>Contract Method/Type or Funding Vehicle</u>	<u>Award or Obligation Date</u>	<u>Performing Activity EAC</u>	<u>Project Office EAC</u>	<u>Total Prior to FY 2001</u>	<u>Budget FY 2001</u>	<u>Budget FY 2002</u>	<u>Budget FY 2003</u>	<u>Budget to Complete</u>	<u>Total Program</u>
<u>Product Development Organizations</u>										
L-3 Communications	OTA	Jun 99	N/A	N/A	0	0	0	0	0	0
Marconi Avionics	OTA	Aug 99	N/A	N/A	0	0	0	0	0	0
Telephonics	OTA	Sep 99	N/A	N/A	0	0	0	0	0	0
Lockheed-Martin	OTA	Jul 99	N/A	N/A	0	0	0	0	0	0
AIL Systems	OTA	Sep 99	N/A	N/A	0	0	0	0	0	0
CPU Technologies	OTA	TBD	N/A	N/A	0	0	0	0	0	0
Marconi Integrated	OTA	TBD	N/A	N/A	0	0	0	0	0	0
Boeing St Louis	OTA	TBD	N/A	N/A	0	0	0	0	0	0
Numerous	OTA	TBD	N/A	N/A	0	18,418	0	0	Continuing	TBD
<u>Support and Management Organizations</u>										
<u>Test and Evaluation Organizations</u>										

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